

INPUT®

COMPETITIVE ANALYSIS: WHO'S WINNING? WHO'S LOSING?

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INPUT**



HISTORIC COMPETITIVE STRUCTURE

	1976	1982
Independents	54%	62%
Computer Manufacturers	17%	12%
Subsidiaries	14%	16%
Other	15%	10%
Total	100%	100%



**MAJOR INFORMATION SERVICE PLAYERS
1985**

Independents	52%
Computer Manufacturers	15%
Subsidiaries	17%
Other	16%
	100%



**MAJOR INFORMATION SERVICE
PLAYERS
1990**

Independents	44%
Computer Manufacturers	20%
Subsidiaries	16%
Other	20%
- "Big 8" Firms	100%
- RBOCs	
- ?	



**TOP INFORMATION SERVICE SALES STARS
U.S. MARKET, NON-CAPTIVE REVENUE 1985**

RANK 1985	COMPANY
1	International Business Machines (IBM)
2	Automatic Data Processing
3	Electronic Data Systems
4	Computer Sciences Corporation
5	McDonnell Douglas Information Services



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VENDOR SPOTLIGHT



LARGEST PROCESSING SERVICES VENDORS

RANK 1985	COMPANY
1	Automatic Data Processing
2	Electronic Data Systems
3	McDonnell Douglas Information Services
4	Control Data Corporation
5	General Electric Information Services



PROCESSING/NETWORK SERVICES VENDORS

- **ADP**
- **Control Data**
- **GTECH**
- **Tel erate**



LARGEST SOFTWARE PRODUCTS COMPANIES

RANK 1985	COMPANY
1	International Business Machines (IBM)
2	Lotus Development Corp.
3	Cullinet Software
4	Microsoft Corp.
5	Computer Associates International, Inc.



SOFTWARE PRODUCTS VENDORS

- Cullinet
- Hogan
- LOTUS
- Sterling Software



**LARGEST PROFESSIONAL SERVICES
VENDORS**

RANK 1985	COMPANY
1	International Business Machines (IBM)
2	Computer Sciences Corporation
3	Arthur Andersen & Company
4	Peat, Marwick & Mitchell
5	Burroughs Corporation



PROFESSIONAL SERVICES VENDORS

- Arthur Andersen
- Computer Sciences Corp.
- Computer Task Group
- EDS



LARGEST TURNKEY SYSTEMS VENDORS

RANK 1985	COMPANY
1	Intergraph Corporation
2	Computervision Corporation
3	Gerber Scientific
4	Calma Company
5	HBO & Company



TURNKEY SYSTEMS

- ASK
- Computervision
- HBO
- Triad



**FUTURE
COMPETITIVE
TRENDS**



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WHY THE CHANGE?



DEREGULATION

Banking: First Data Management

Telecommunications: RBOCs

Transportation: American Airlines



BANKS/FINANCE

- Chase Manhattan
- American Express
- Bank of America
- Citicorp
- Mellon Bank



INFORMATION/FINANCIAL SERVICES

- D&B
- EQUIFAX
- McGraw-Hill
- Transunion



MANUFACTURERS

- McDonnell Douglas
- General Electric
- Litton
- Boeing
- Martin Marietta
- Schlumberger
- TRW
- Grumman
- Ford
- Xerox
- General Motors



COMPUTER COMPANIES

- IBM
- CDC
- Burroughs
- DEC
- SPERRY
- TI
- NCR
- Honeywell
- Hewlett-Packard
- Tandy
- Apple



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IBM VERSUS EVERYONE ELSE



COMMUNICATIONS

- United Telecom
- Contel
- GTE
- AT&T
- RBOCs



Giant Firms

INFORMATION SERVICES APPEAL

- Leverages Core Businesses, Financial Assets
- Large, High Growth Opportunities
- Potential for Significant Market Share
- Enhance Company Valuation
- Accelerate Technology Assimilation



Giant Firms

CHALLENGES FACED

- **Requires**

- **Adaptation to High Rate of Change**
- **Specialized Management**
- **Handling Compensation Differences**



Giant Firms

IMPACT ON COMPANY

- Potential Large Losses
- Organizational Upheavals
- Phases
 - Honeymoon
 - ↓
 - Disappointment
 - ↓
 - Resurgence
- Can Evolve to Major Business Segment



**RBOCs
WHO'S NEXT?**

Ameritech	- Applied Data Research (ADR)
Bell Atlantic	- SORBUS
NYNEX	- IBM Product Centers
US West	- Applied Communications



RETAILERS

- Computerland
- Sears
- Macy's
- Businessland
- Entré
- Software Centre



**INTERNAL
VERSUS EXTERNAL
COMPETITIVE EDGE**



NEW WAYS TO COMPETE

- Aquisition
- Strategic Partnering
- Vertical Specialization
- Connectivity



KEYS TO SUCCESS

**STAY
IN TUNE AND IN STEP
WITH CUSTOMERS**



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MORE FOCUS



